



JOINT TRANSPORTATION COMMITTEE FERRIES FINANCING STUDY II

Presentation to Washington State Transportation Commission
May 21, 2008

Cedar River Group



Legislative Direction

2007 – ESHB 2358/2008 – SSB 6932 & Budget Provisos

Areas of JTC Focus

Ferries' Planning – Participation & Independent Review

- Ridership forecast
- Market Survey
- Level of service standard
- Pricing and operational strategies

Ferries' Vessel Studies

- Vessel preservation and replacement
- Vessel sizing and acquisition

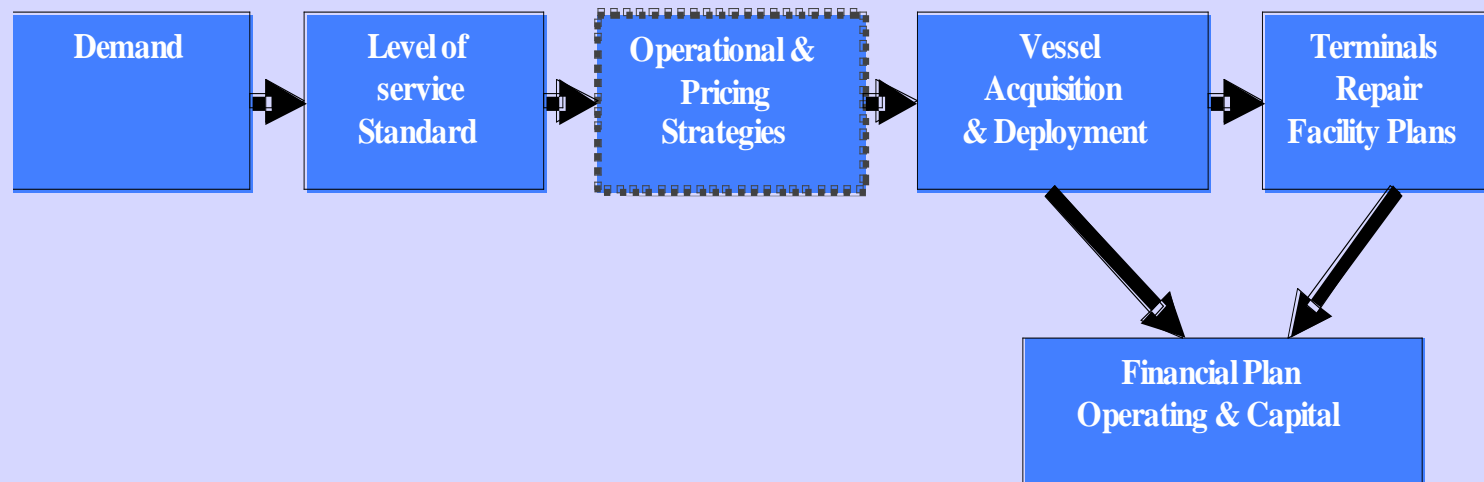
Ferries' Finances – Operating & Capital

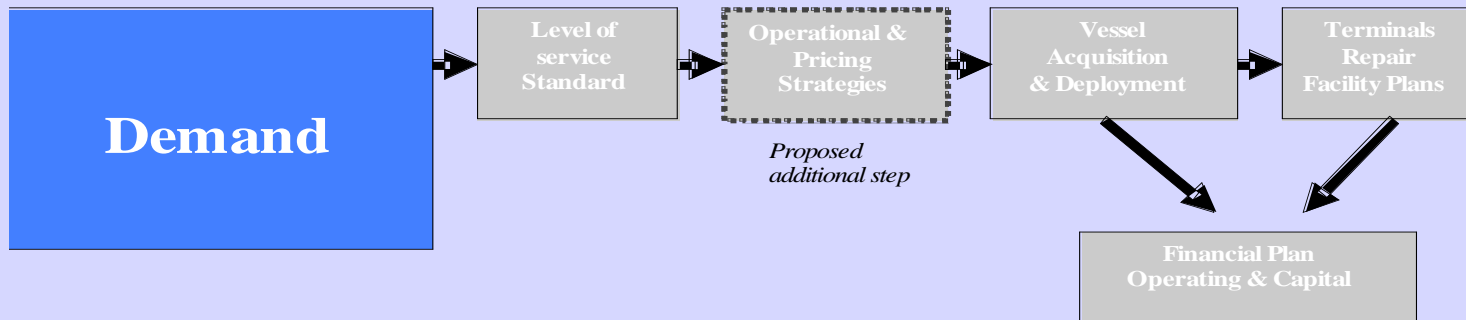
- Capital - staffing & admin, systemwide, LCCM, pre-design
- Operating – management and support, non-labor, non-fuel

Long-Range Plan – Participation & Independent Review

- Capital finance – confirm Ferries estimates of future capital
- Long-Range Plan – participate & review

Ferry Finance Model – Recommended 2006





Revised Ridership Forecast

Revised model developed

Baseline forecast complete

Additional work needed on recreational users

JTC has participated and provided independent review

Concur with forecasting methodology

Concur with initial baseline forecasts/on-going tech review

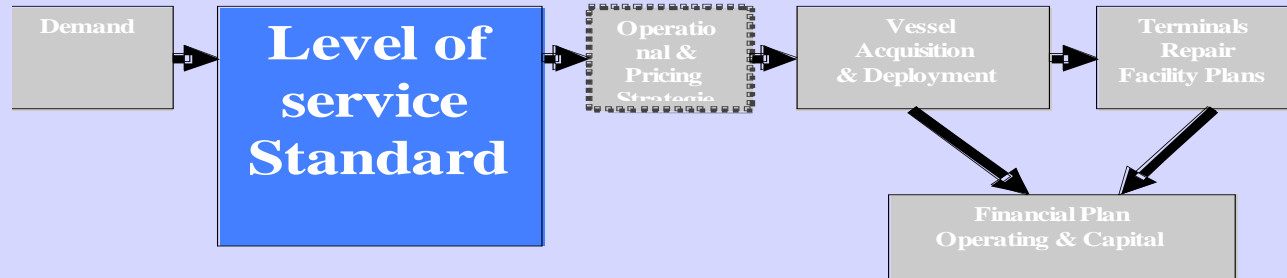
Change from 2006 Plan which had 70% growth

37% growth 2006-2030/26% 1999-2030

Market Survey

WSTC conducting/Ferries incorporating into planning

JTC participation & review



Vehicle level of service standard

Situational assessment complete

Ferries reviewed with Ferry Advisory Committees

JTC has participated in and reviewed the situational assessment

Ferries to recommend:

- How to measure level of service

- Revised vehicle level of service

JTC will participate in and review Ferries' proposal



Operating & Pricing Strategies

Situational assessment complete

JTC participated in and reviewed situational assessment

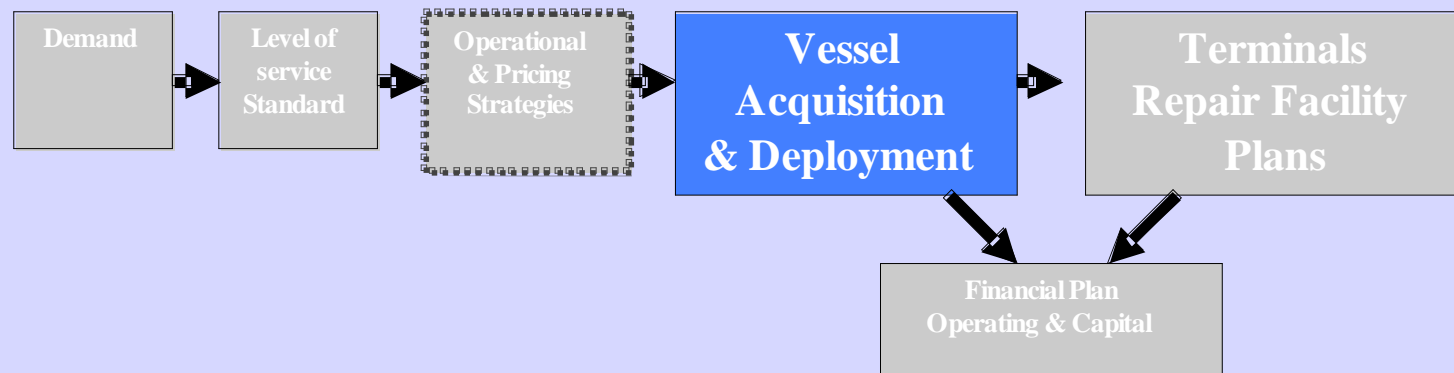
Reviewing with Ferry Advisory Committees - June

Focused on leveling vehicle demand

Ferries to recommend:

Operational and pricing strategies by route

JTC will participate in and review Ferries' proposal



Vessel Preservation & Replacement

SSB 6932 – 2008 Session

Capital plan must include:

- Vessel preservation plan

- Systemwide vessel rebuild and replacement plan

 - Projected retirement dates for all vessels

 - Timelines for vessel replacement

 - Rebuild dates for all vessels

 - Summary of the condition of all vessels

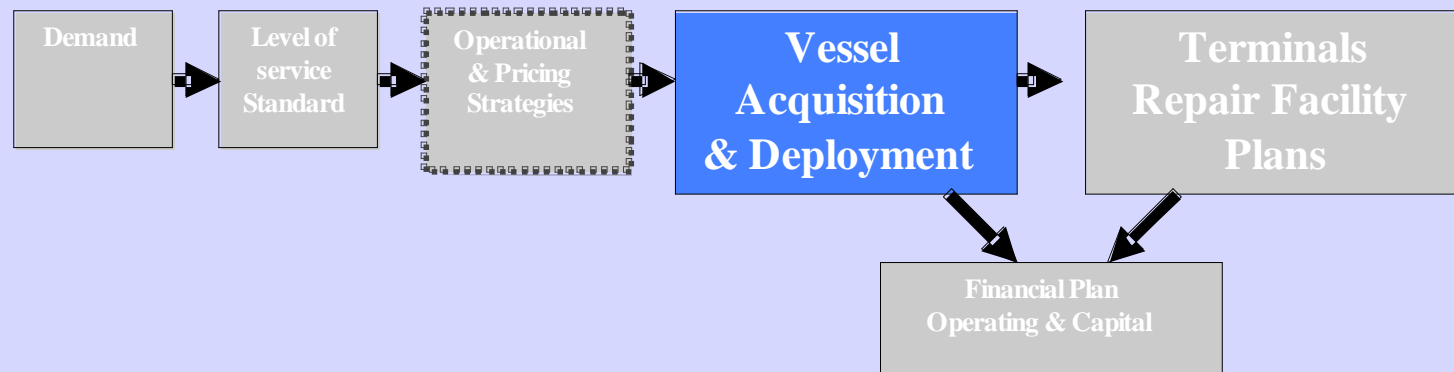
- Vessel deployment plan

Budget must include status reports on

- Maintenance & preservation of vessels

- Deviations from vessel preservation plan

- Decisions not to invest in or invest early in preservation



Vessel Timing & Sizing of Acquisitions – 2008 – Draft Scope

Vessel Life Assumption 60 years

Considerations

Cost-benefit of 30 year vs. 60

Out of Service Time – Relief & Standby Vessels Required

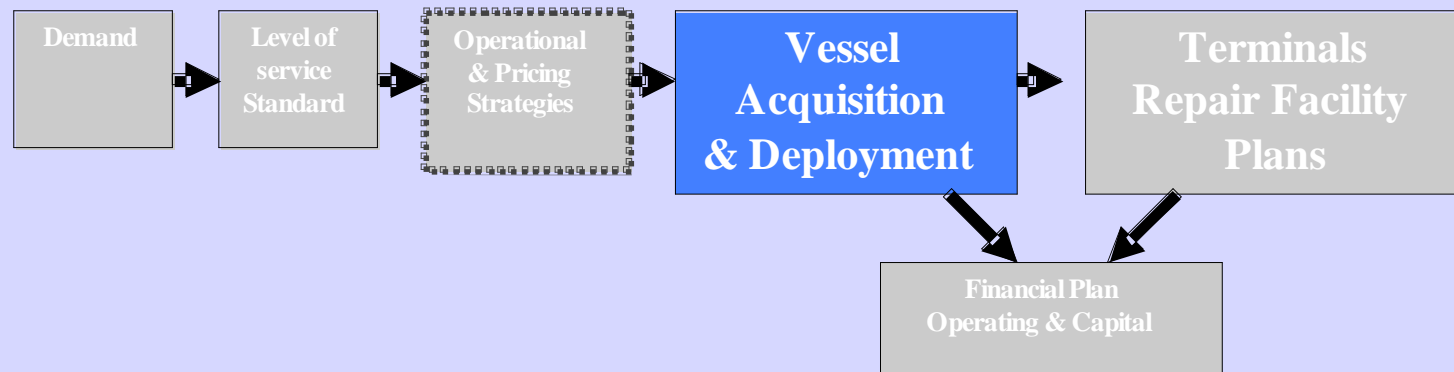
Drydock space

Dockside preservation

Repairs underway

Standards for out-of-service time

Relief and standby vessels required



Vessel Timing & Sizing of Acquisitions – 2008 – Draft Scope

Deployment and Scheduling

- Fleet utilization

- Schedule

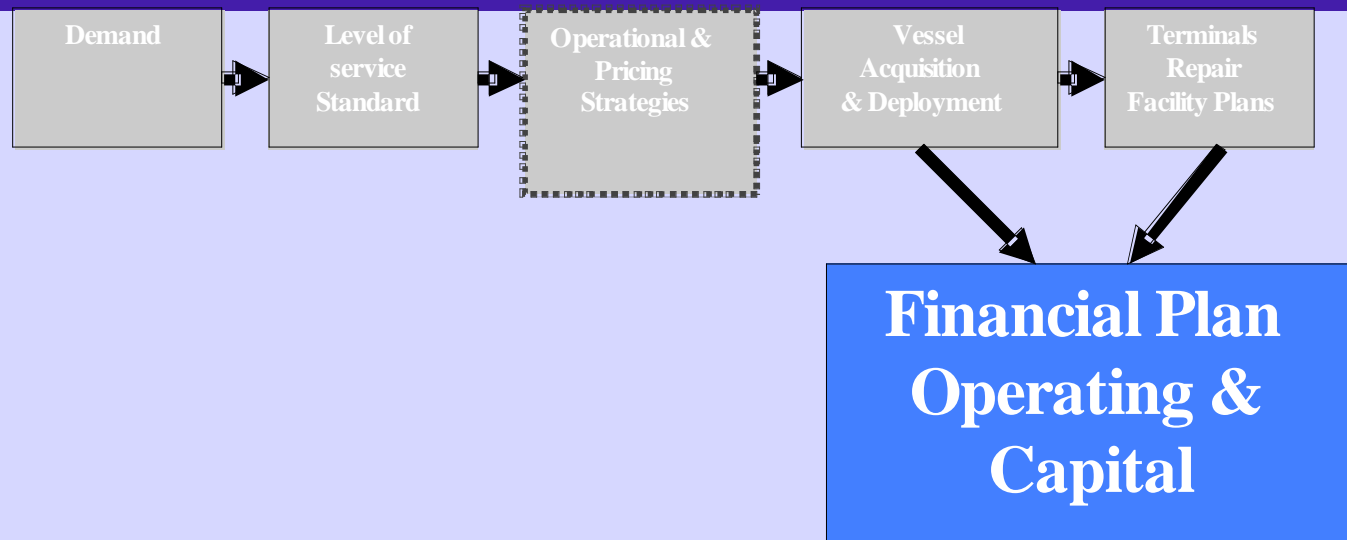
- Extra runs

- Ferry fleet planning simulation

Vessel Sizing

- Fleet analysis

- Design features



JTC Capital Cost Reviews

Vessel - Prioritize vessel preservation

Staffing & administration – 2008 budget provisos

Capital staffing level – Jan. 1, 2008 level

Ensure core competency in preservation

Systemwide – 2008 study

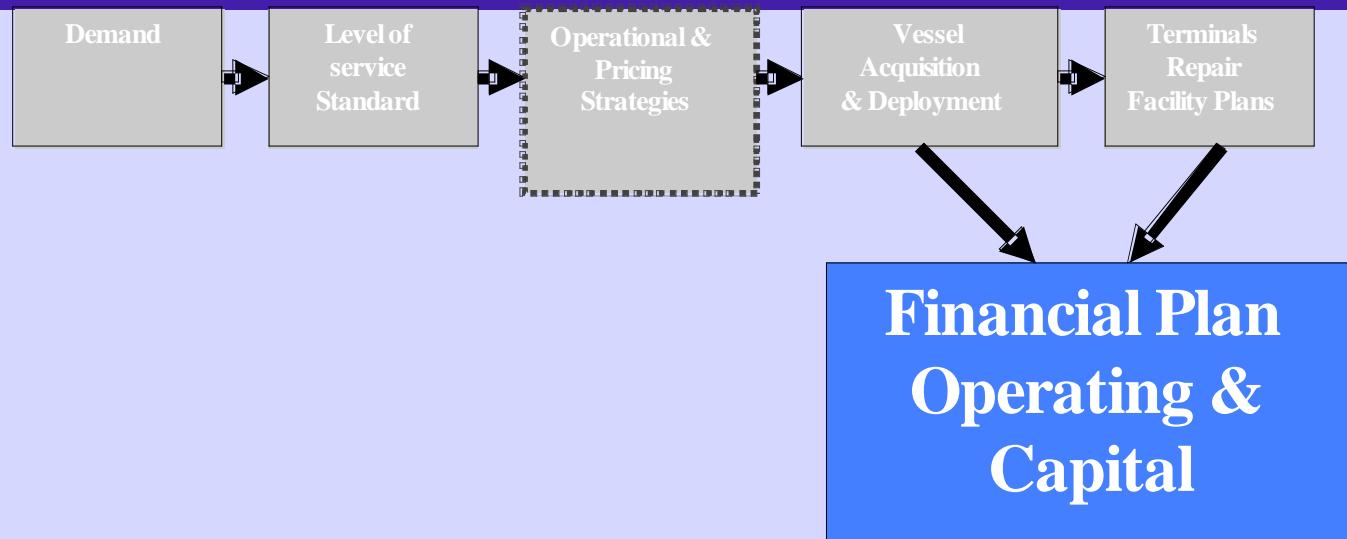
Cost allocation – systemwide & administrative costs

LCCM – Terminals

Terminals – redone - \$106 million reduction -2008 session

Vessels – needs update – steel preservation not included

Pre-design – 2358 requirements – review Ferries' initial report

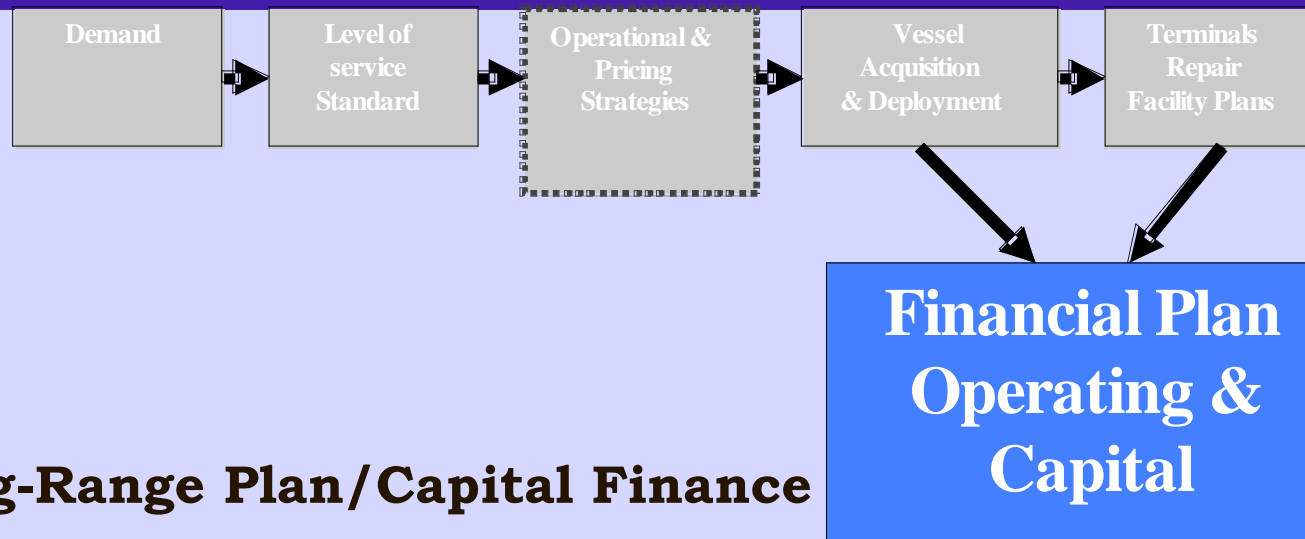


JTC Operating Cost Reviews

2006 – Labor and fuel

Management and Support – Draft under review by
WSDOT/Ferries

Non-labor, non-fuel costs – Draft to JTC



Adherence to Legislative Requirements

Ridership forecast

Vehicle level of service standard

Operational and pricing strategies

Terminal design standards

Capital Plan Review

Terminal capital plan

Vessel capital plan

Capital program staffing and administration

Total Capital Requirements

Review Ferries' estimate/Input to WSTC revenue study